GRAIN TRANSPORTATION REPORT

Agricultural Marketing Service
United States Department of Agriculture

APRIL 11, 2000

Biotechnology, Proposed Merger, and Automation Dominate NGFA Meeting. Worldwide perceptions of biotechnology and the implications of a proposed rail merger, as well advances in automation technology, were primary topics at the 104th annual National Grain and Feed Association (NGFA) convention, held recently in San Diego. Topics discussed included regulatory rules and procedures, biotechnology, rail and waterway transportation, and the implications for agriculture of the recently proposed Burlington Northern Santa Fe and Canadian National rail merger. **David Shipman** of USDA's Grain Inspection, Packers, and Stockyards Administration (GIPSA) discussed questions surrounding the wheat cleaning initiative, particularly the financial role of the Commodity Credit Corporation in the installation of grain cleaners and the offering of bonuses to those who deliver cleaner U.S. wheat. Specifying cleaner wheat in purchases for humanitarian donations and the revision of quality standards to include dockage limits were other unresolved issues discussed. GIPSA is giving preliminary consideration to a classification for feed wheat and establishing a method for testing wheat for protein quality as well as quantity. Automation of grain weighing and handling is also being tested, with the potential of providing customers with such benefits as inspection results every 5 to 7 minutes and remote certification. GIPSA also faces the challenge of standardizing testing methods regarding biotechnology. Public awareness of biotechnology will soon be addressed through a 60-second television presentation, according to **Randy Krotz** of the Council for Biotechnology Information. Krotz stated that the campaign must be unified and sustained for 3 to 5 years to be effective. He also suggested that those seeking additional information should reference the Council website, http://www.whybiotech.com. **Pamela Kirby-Johnson**, Director General of the London-based Grain and Feed Trade Association (GAFTA), whose goal is to promote international trade in grain, animal feed, pulses (edible seeds from pod-bearing plants), and rice, while protecting the interests of its roughly 815 members in 80 countries, stated that the world market should expect to see greater demands for food safety, as individual countries adopt their own positions. For example, the Netherlands and Germany require labeling for genetically modified (GM) products, while the United Kingdom appears to seek to remain totally GM free. In terms of soybean supply, Brazil, according to Kirby-Johnson, is generally seen as a source for GM-free shipments. Many European supermarkets and small manufacturers remain leery of GM products. However, many scientists, producers, international traders, and certain developing countries are generally in favor of biotechnology.

Discussing the U.S. consumer perspective, **David Schmidt,** of the Washington, DC-based International Food Information Council (IFIC), stressed the importance of communication. Even though U.S. consumers generally remain open-minded about biotechnology, Schmidt feels that support will increase when benefits, such as reduced pesticide use, are realized by consumers. Increasing consumer acceptance could also be attributed to factors such as education, trust, and reliable information sources; perceptions regarding food safety; and the terminology used (i.e., consumers more clearly perceive and understand the term, "biotechnology," but are more uncertain of the term "GMO," or genetically modified organism). The outlook for consumer acceptance of biotechnology will stem from growers' decisions, the position toward the public by food manufacturers, retailers' patience, and Government consistency, according to Schmidt. A free bimonthly IFIC publication, "Food Insight," which frequently deals with this topic, may be obtained by telephone at 202-296-6540, via e-mail at foodinfo@ific.health.org, or by visiting the IFIC website at http://ificinfo.health.org. Please mention your grain sector affiliation during your request. NGFA Chairman, **Mike Donnely**, presented views on the future growth and challenges of the U.S. grain industry. Donnely noted the role of environmental activists in impeding commercial progress, such as in the case of efforts to breach four dams along the Snake River. Breaching these dams would possibly restore salmon migration, but would also halt commercial barge traffic. Similar concerns relate to how this action may affect dams on other major waterways crucial to grain trade. The antitrade, or antiglobalization, movement was also seen as a challenge to agriculture, especially when considering the important economic role of foreign markets. Donnely also expressed concern over idling land for conservation or the environmental purposes. Decreasing U.S. production due to idled farmland will decrease the U.S. world market share, which will quickly be replaced by competitors, such as Brazil. **Electronic commerce and automation** appear to be the direction of future grain trade transactions, according to several speakers. E-commerce representatives touted Internet developments as being able to lessen the transaction time and effort by producers, grain elevators, dealers and co-ops, manufacturers, and others. These changes will extend to the Chicago Board of Trade (CBOT). Trader, **Jim Cashman**, indicated that by 2001, 80 percent of the orders at the CBOT will be performed electronically. However, Cashman emphasized that the restructuring will be monitored closely, so as to meet the needs of the industry.

*Next Week: Comments by speakers **Allen Andreas** (Chairman & CEO, Archer Daniels Midland), **Hon. Charles W. Stenholm** (D-TX), **Bob Stallman** (President, American Farm Bureau Federation), and **Matt Rose** (President & CEO, Burlington Northern Santa Fe Railway Co.) and **Paul Tellier** (Chairman and CEO, Canadian National/Illinois Central Railroads)*

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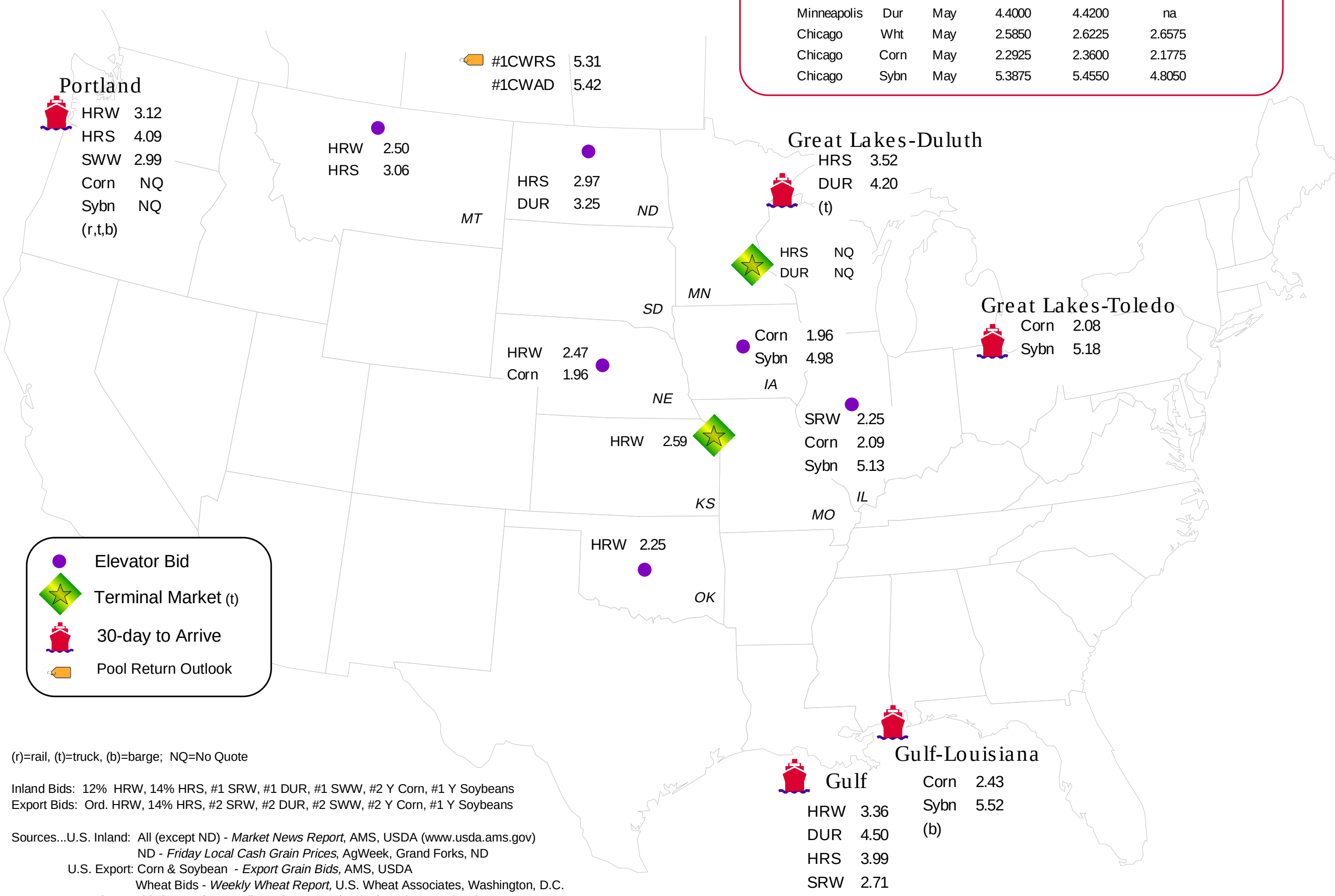
Grain Bid Summary

Futures:

			04/07/00	Week Ago 03/31/00	Year Ago 04/02/99
Kansas City	Wht	May	2.8350	2.8650	2.9150
Minneapolis	Wht	May	3.2350	3.2700	3.3225
Minneapolis	Dur	May	4.4000	4.4200	na
Chicago	Wht	May	2.5850	2.6225	2.6575
Chicago	Corn	May	2.2925	2.3600	2.1775
Chicago	Sybn	May	5.3875	5.4550	4.8050

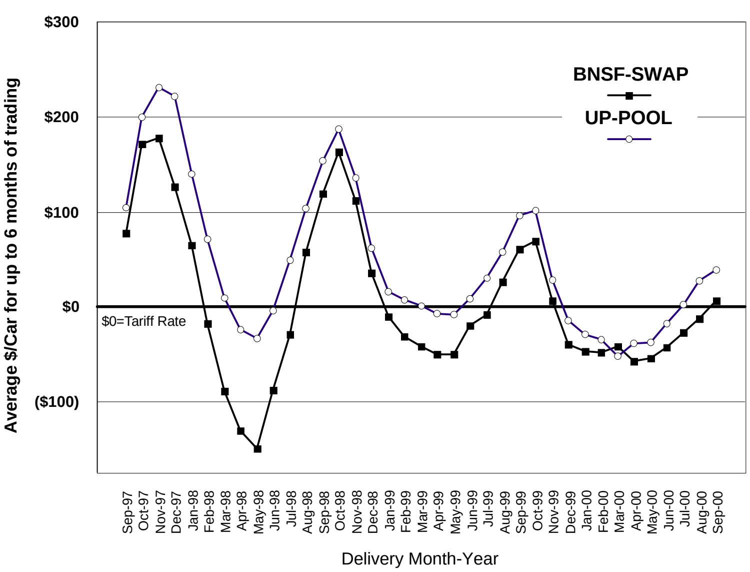


(r)=rail, (t)=truck, (b)=barge; NQ=No Quote

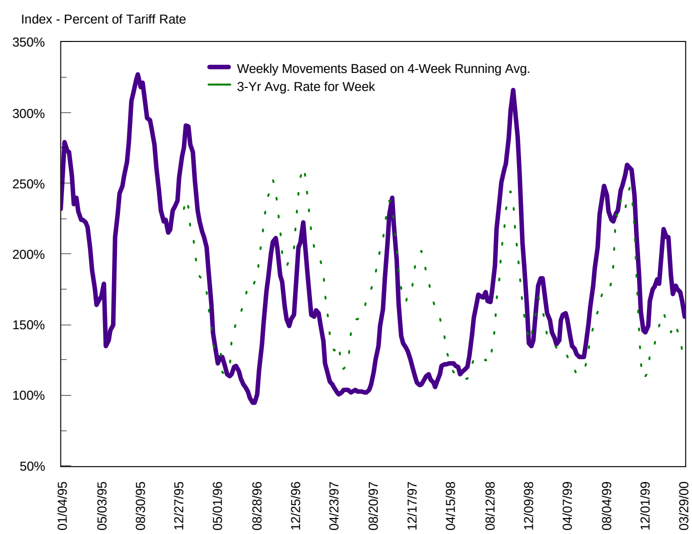
Inland Bids: 12% HRW, 14% HRS, #1 SRW, #1 DUR, #1 SWW, #2 Y Corn, #1 Y Soybeans
Export Bids: Ord. HRW, 14% HRS, #2 SRW, #2 DUR, #2 SWW, #2 Y Corn, #1 Y Soybeans

Sources...U.S. Inland: All (except ND) - *Market News Report*, AMS, USDA (www.usda.ams.gov)
ND - *Friday Local Cash Grain Prices*, AgWeek, Grand Forks, ND
U.S. Export: Corn & Soybean - *Export Grain Bids*, AMS, USDA
Wheat Bids - *Weekly Wheat Report*, U.S. Wheat Associates, Washington, D.C.
Canada: Bids in CAN$, Canadian Wheat Board, Winnipeg (www.cwb.ca)

Secondary Rail Market Bids



Spot Barge Rate - Illinois River



Rail Car 'Auction' Offerings

Delivery for:	Apr-00		Jun-00	
	Offered	% Sold	Offered	% Sold
BNSF-COT	11,999	16%	12,000	27%
UP-GCAS	5,400	1%	5,400	3%

Source: Transportation & Marketing /AMS/USDA; www.bnsf.com; www.uprr.com

Secondary Rail Car Market

Average Premium/Discount to Tariff, $/Car - Last Week

	Delivery Period			
	Apr-00	May-00	Jun-00	Jul-00
BNSF-GF	$(70)	$(85)	$(79)	$(65)
UP-Pool	$(42)	$(60)	$(42)	$(18)

Source: T&M/AMS/USDA. Data from Atwood/ConAgra., Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.;

GF=Guaranteed Freight, GEEP=Guaranteed Eqpt. Exchange, Pool=Guaranteed Pool

note... bids listed are market INDICATORS only & are NOT guaranteed prices, missing value=No Bid Quoted

Railroad Car 'Auction' Results

Average Premium/Discount to Tariff, $/Car - Last Auction

Delivery for:	May-00	Jun-00	Jul-00
COT/N. Grain	no bid	no bid	no bid
COT/S. Grain	no bid	no bid	no bid
GCAS/Region 2	no bid	no bid	no bid
GCAS/Region 4	no bid	no bid	no bid

Source: T&M/AMS USDA. Data from www.bnsf.com, www.uprr.com,
(COT=Certificate of Transportation; GCAS=Grain Car Allocation System)

Southbound Barge Freight Nominal Values

Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

Week ended*	River/Region	Contract Period	Rate

Summary Of Daily Barge Trades Reported To St. Louis Merchants Exchange.

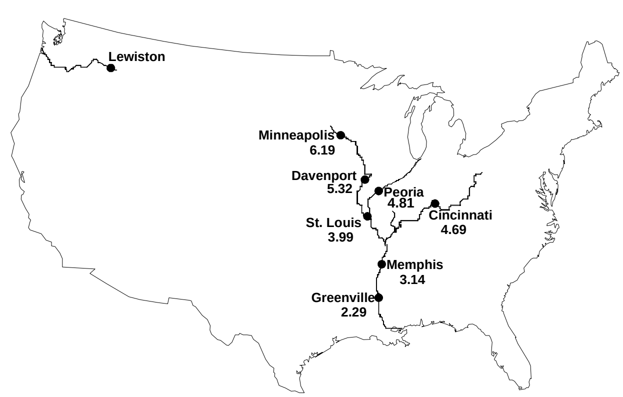
(*) we regret that this data is currently unavailable

Southbound Barge Freight Spot Rates

	4/5/00	3/29/00	May '00	July '00
Twin Cities	183	183	187	203
Mid-Mississippi	149	149	153	172
Illinois River	140	143	145	163
St. Louis	117	121	122	138
Lower Ohio	123	118	125	143
Cairo-Memphis	113	117	117	133

Source: Transportation & Marketing /AMS/USDA
nq=no quote

Barge Benchmark Tariff Rates
Est. 1976 - 'Tariff No. 7'

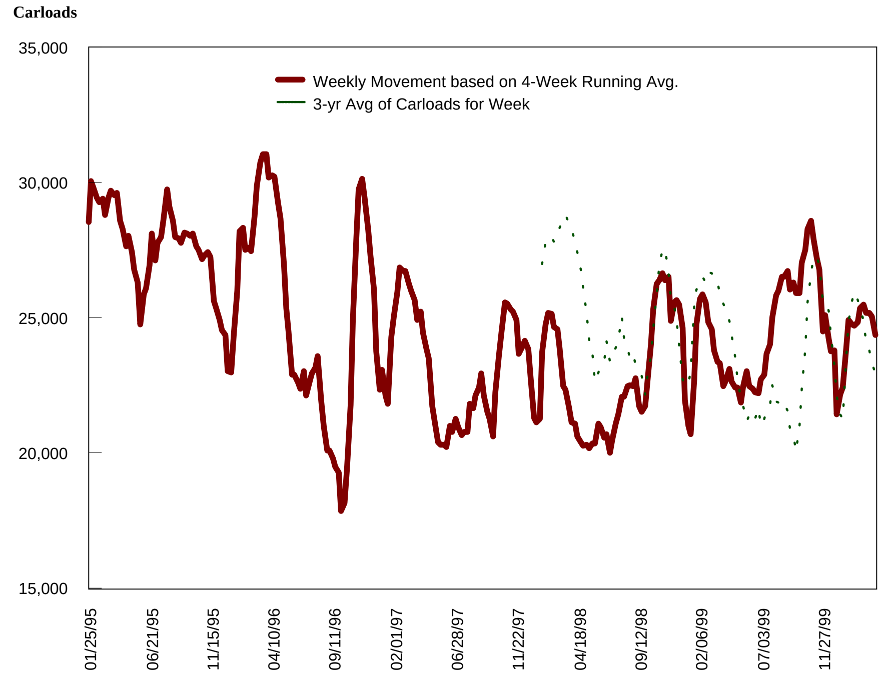


Class I Railroad Grain Car Loadings

Week Ending:	Carloads
3/18/00	25,337
3/25/00	24,183
4/1/00	23,129
Year to Date - 2000	324,401
Year to Date - 1999	313,468
Total 1999	1,269,741

**1998 - 52 weeks
* 1997 - 53 weeks

Grain Car Loadings for Class I Railroads



Class I Rail Carrier Grain Car Bulletin

Carloads

	East				West			Canada	
	Conrail	CSXT	IC	NS	BNSF	KCS	UP	CN	CP
04/01/00	0	2,543	1,335	3,115	7,586	478	8,072	3,223	4,825
This Week Last Year	496	2,237	1,485	2,189	7,010	742	7,687	1,902	3,605
2000 YTD	0	37,705	24,979	38,484	112,608	8,458	102,167	37,953	57,358
1999 YTD	10,257	33,637	19,104	33,535	107,372	9,269	100,294	24,625	38,021
1999 Total	15,522	132,157	88,056	138,379	465,088	33,911	398,262	121,381	206,328
1998 Total	40,192	126,128	77,811	131,158	431,459	34,503	342,609	113,568	215,005

Source: Association of American Railroads

**1998 - 52 weeks
* 1997 - 53 weeks

Tariff Rail Rates for Unit Train Shipments

April 2000

Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
04/10/00	45560	Wheat	Minneapolis, MN	Houston, TX	$2,050	$22.60	$0.62
04/10/00	43521	Wheat	Minneapolis, MN	Portland, OR	$3,877	$42.74	$1.16
04/10/00	46540	Wheat	Kansas City, MO	Houston, TX	$1,550	$17.09	$0.47
04/10/00	43586	Wheat	Kansas City, MO	Portland, OR	$4,133	$45.56	$1.24
04/10/00	43581	Wheat	Omaha, NE	Portland, OR	$3,805	$41.94	$1.14
04/10/00	31040	Corn	Minneapolis, MN	Portland, OR	$3,000	$33.07	$0.84
04/10/00	31035	Corn	Kansas City, MO	Portland, OR	$2,600	$28.66	$0.73
04/10/00	31040	Corn	Omaha, NE	Portland, OR	$2,615	$28.82	$0.73
04/10/00	61180	Soybean	Minneapolis, MN	Portland, OR	$2,880	$31.75	$0.86
04/10/00	61180	Soybean	Omaha, NE	Portland, OR	$2,480	$27.34	$0.74
05/01/98	61180	Soybean	Omaha, NE	Portland, OR	$2,780	$25.23	$0.83

Source: www.bnsf.com

Approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

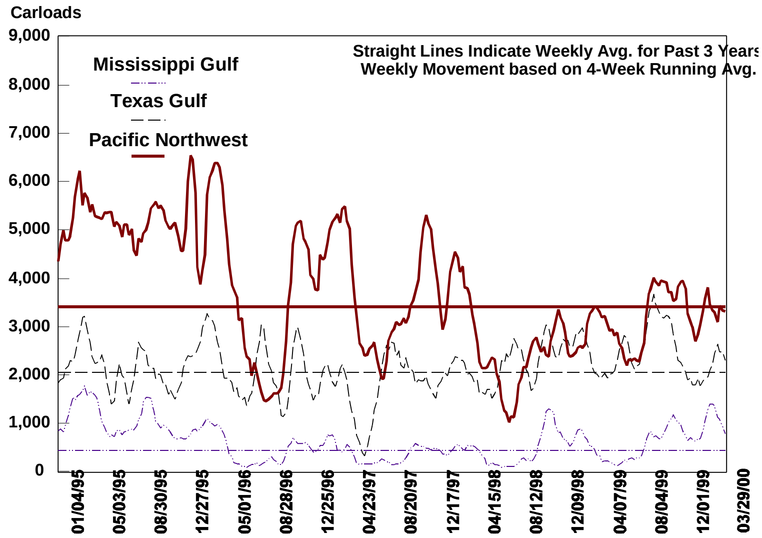
Rail Deliveries to Port
Carloads

	Mississippi Gulf	Texas Gulf	Pacific Northwest	Atlantic & East Gulf
Week Ending:				
02/23/00	1,167	2,377*	3,331*	525
03/01/00	1,195	2,519*	3,121	769
03/08/00	853	3,042*	3,118*	770
03/15/00	1,111	1,993*	4,202*	206
03/22/00	640	2,358*	2,923	396
03/29/00	533	1,804	2,998	110
YTD 2000	13,373	28,246	43,024	5,655
YTD 1999	7,944	32,689	37,759	4,984
Total 1998	23,844	115,321	138,461	12,505
Total 1997	20,152	93,265	195,953	9,147

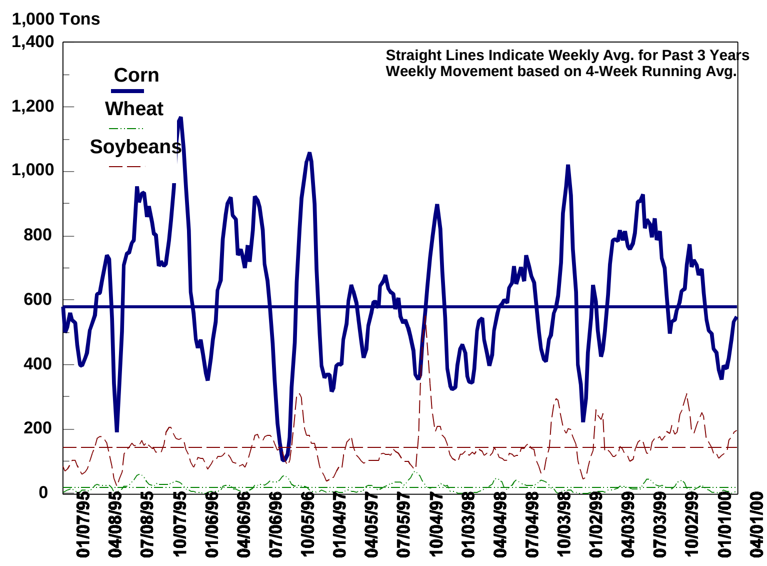
Source: Transportation & Marketing/AMS/USDA

* Revised Data

Rail Deliveries to Port



Barge Movements - Locks 27



Barge Grain Movements
for week ending 4/1/00

	Corn	Wht	Sybn	Total
		1,000 Tons		
Mississippi River				
Rock Island, IL (L15)	207	0	31	250
Winfield, MO (L25)	319	6	95	420
Alton, IL (L26)	466	20	139	653
Granite City, IL (L27)	477	20	141	666
Illinois River (L8)	154	11	24	222
Ohio (L52)	50	7	17	94
Arkansas (L1)	0	18	6	24
2000 YTD	6,880	379	2,552	10,381
1999 YTD	7,289	628	1,817	10,797
Total 1999	31,001	2,401	8,674	45,134
Total 1998	31,226	2,420	8,866	45,625

Miss YTD: Calendar year totals include Miss/27, Ohio/52 and Ark/1.
Source: U.S. Army Corp of Engineers

U.S. Export Balances (1,000 Metric Tons)

	Wheat						Corn	Soybean	Total
	HRW	*SRW*	*HRS*	*SWW*	*DUR*	*All*			
Unshipped Exports-Crop Year									
03/30/00	1,056	360	1,155	592	323	3,486	7,397	2,328	13,211
This Week Year Ago	1,274	612	1,025	534	209	3,653	7,287	2,759	13,699
Cumulative Exports-Crop Year									
99/00 YTD	9,168	3,631	4,603	3,282	803	21,486	28,873	19,974	70,333
98/99 YTD	8,857	1,781	5,439	4,776	793	21,646	27,073	17,713	66,432
97/98 Total	9,858	4,710	6,305	5,413	1,232	27,518	37,220	24,516	89,254
96/97 Total	7,387	3,645	7,864	6,105	963	25,965	44,476	24,501	94,942

Source: Foreign Agricultural Service YTD-Year-to-Date (www.fas.usda.gov) Crop Year:Wheat=5/31-6/01, Corn & Soybeans=9/01-8/31

Select U.S. Port Regions - Gain Inspections for Export - 1,000 Metric Tons

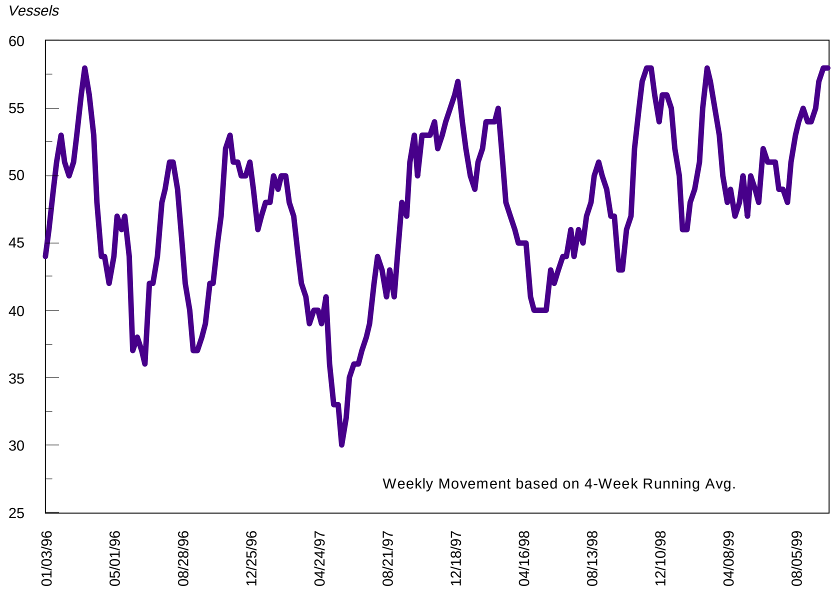
	Pacific Region			Mississippi Gulf			Texas Gulf		
	Wheat	*Corn*	*Soybean*	*Wheat*	*Corn*	*Soybean*	*Wheat*	*Corn*	*Soybean*
04/06/00	201	219	0	130	679	487	174	7	0
2000 YTD	2,451	2,325	548	1,668	8,693	6,423	1,452	86	631
1999 YTD *	2,724	1,970	67	1,360	8,591	4,736	1,632	162	573
% of Last Year	23%	53%	84%	33%	28%	43%	20%	15%	45%
1998 Total	10,838	4,373	651	5,048	31,330	14,917	7,270	562	1,392

Source: Federal Grain Inspection Service * YTD-Year-to-Date ('98 = 53 week period)

Select Canadian Ports - Export Inspections
1,000 Metric Tons, Crop Year

	Wheat	Durum	Barley
Week Ended: 4/06/00			
Vancouver	3,836	619	540
Prince Rupert	2,636	3	89
Prairie Direct	694	188	320
Thunder Bay	468	193	186
St. Lawrence	2,083	1,325	0
1999 YTD Exports	9,717	2,328	1,135
1998 YTD Exports	6,699	2,299	616
% of Last Year	145%	101%	184%

Source: Canadian Grains Commission
YTD-Year-to-Date Crop Year 8/1-7/31



Gulf Region Vessels Loaded - Past 7 Days-

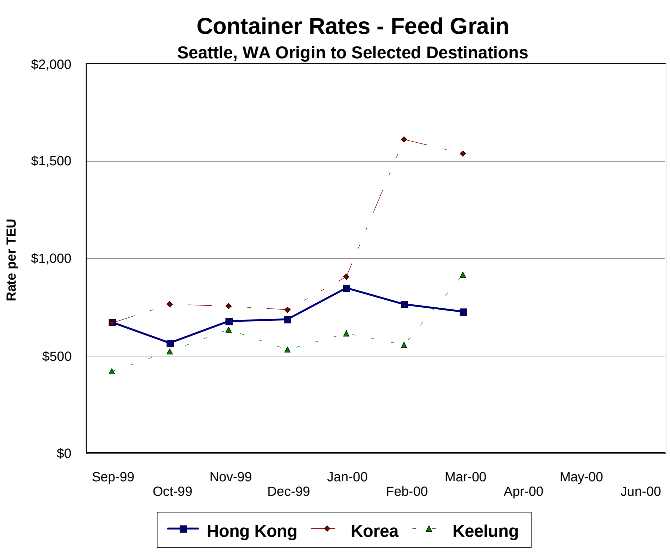
Port Region Ocean Grain Vessels

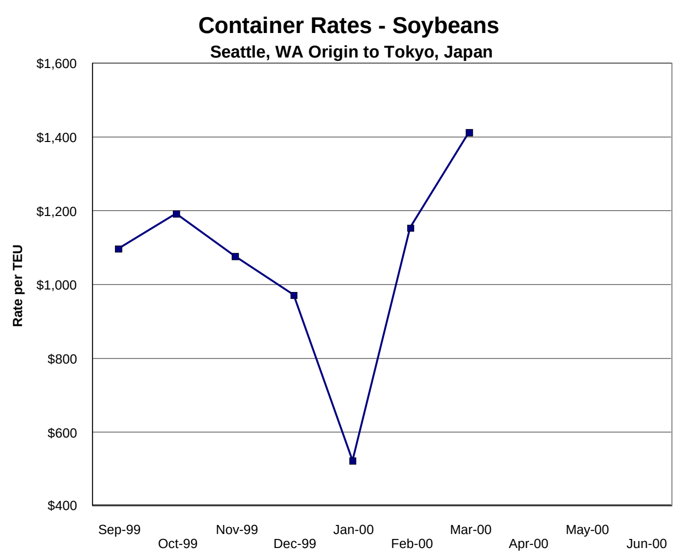
	Gulf			Pacific Northwest			Vancouver, B.C.		
	In Port	Loaded 7-Days	Due Next 10-Days	In Port	Loaded 7-Days	Due Next 10-Days	In Port	Loaded 7-Days	Due Next 10-Days
03/30/00	34	53	66	4			13	6	0
04/06/00	26	46	53	8			7	12	3
1999 Range	(14..47)	(39..65)	(34..80)	(6..18)			(2..20)	(2..15)	(0..9)
1998 Range	(19..62)	(34..64)	(40..93)				(1..19)	(3..14)	(0..10)
1999 Avg	32	52	65				9	9	3
1998 Avg	40	48	61				10	9	3
1997 Avg	33	45	58						

Source: Transportation & Marketing /AMS/ USDA

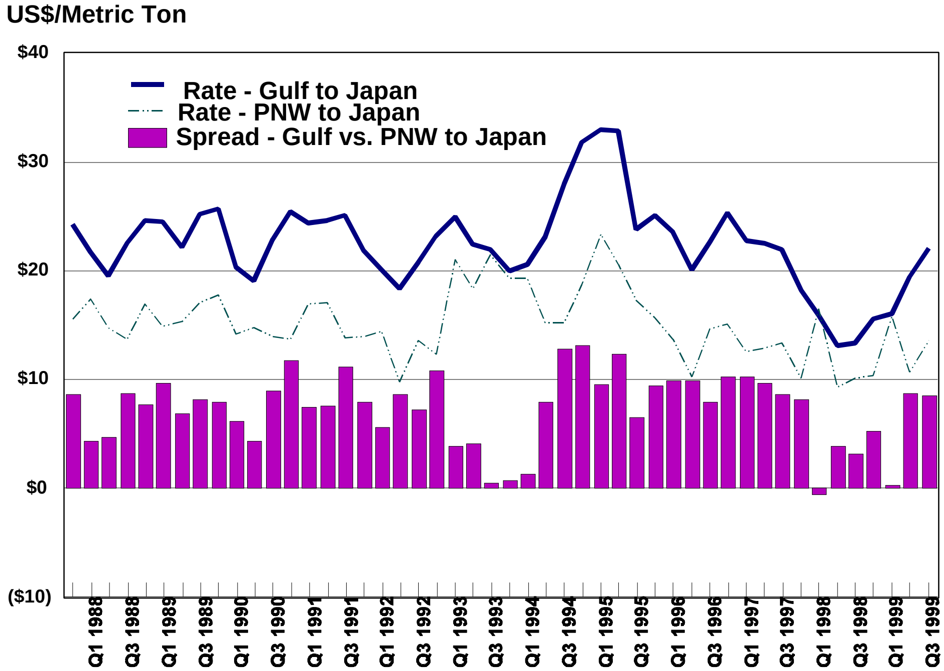
Container Ocean Freight Rates

Monthly Weighted Averages Based on Shipping Line Monthly Mkt. Share





Source: Transportation & Marketing/AMS/USDA



Quarterly Ocean Freight Rates

Quarterly Ocean Freight Rates
Average Rates & Percentage Changes, U.S. Dollars/Metric Ton - Basis

	1999 4th Qtr	1998 4th Qtr	% Change		1999 4th Qtr	1998 4th Qtr	% Change
Gulf to				**Pacific NW to**			
Japan	$22.07	$13.33	66%	Japan	$13.55	$10.17	33%
Mexico	$15.21	$14.41	6%	Red Sea/ Arabian Sea			
Venezuela	$12.10	$10.87	11%				
N. Europe	$13.68	$8.81	55%				
N. Africa	$21.65	$15.26	42%	**Argentina to**			
				N. Europe	$17.77	$12.56	42%
				Japan			

Source: Transportation & Marketing/AMS/USDA; (*) rates shown are for metric ton (2,250 lbs.=one metric ton)

Ocean Freight Rates **(Select Locations) - week ending 4/8/00**

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate ($Ton)
Duluth	Morocco	Heavy Grain	Apr15/25	22,000	$26.75
St. Lawrence	Casablanca	Wheat	Apr12/21	25,000	$18.00
Gulf	Egypt	Wheat	Apr8/15	50,000	$14.50
Gulf	Indonesia	Wheat	Apr10/20	35,000	$100.11
Gulf	Taiwan	Heavy Grain	Apr20/May5	54,000	$22.00
PNW	Indonesia	Wheat	Apr20/30	24,500	$89.67
PNW	Indonesia	Wheat	May20/30	55,000	$66.66
N. Brazil	Venezuela/Colomb.	Soybeans	Apr8/17	30,000	$13.50
Parana	Libya	Heavy Grain	Prompt	25,000	$33.50
Southampton (UK)	Tunisia	Barley	Spot	25,000	$12.50

Source: Maritime Research Inc.; rates shown are for long ton (2,240 lbs.=one long ton), F.O.B., except where otherwise indicated; op=option